

Budget Preparation Worksheet
Budget Explanation

When creating your intervention budget, take into consideration that your budget and allocation of funds may vary from year to year. For example, in Year 1, many of your funds may go into buying supplies or investing money in materials for start-up. In Year 2 and beyond, you may be spending most of your budget disseminating your intervention materials or on evaluation efforts. It is important to create your yearly intervention budget to reflect these changes.

- I. Personnel:** Personnel refers to all staff members who will be involved in the various intervention activities. Others helping with the intervention, such as consultants or technical assistance, are not considered Personnel, but are rather included in the Purchased Services Total. *Remember: When creating Year 2 and beyond budgets, it is important to adjust for Personnel salaries based on increases in cost of living. When calculating Personnel salaries for Year 2 and beyond, multiply personnel by the expected increase of cost of living for each year.*

Calculating Personnel-

- **Base Salary:** For each personnel position, state the base salary for the position (before benefits or other compensation amounts).
 - *Example: Principal Investigator - \$75,000*
- **% of Time:** For each personnel position, determine the percent of that person's total time that will be used to work on the intervention project.
 - *Example: A Principal Investigator may only contribute 25% of his/her time to oversee the project, while interns or research assistants may be using 100% of their time on intervention activities.*
- **Project Salary:** For each personnel position, determine the project salary by multiplying base salary by % of time.
 - *Example: Principal Investigator [$\$75,000$ (Base Salary) X 25% (% of time) = $\$18,750$ (Project Salary)]*
- **Fringe Benefit %:** Fringe benefits include all taxes, as well as health insurance, paid time off, retirement, and another benefits provided. Fringe benefits may or may not be offered to all employees. **Fringe benefit %s are at the discretion of the organization** based on amount of funding and what it offers its employees in terms of benefits. Fringe benefit for a graduate research assistant may be a little as 3% perhaps providing worker's compensation only, as opposed to 20- 40% for senior full time employee of the project receiving full benefits.
 - *Example: Full time employees may receive a fringe benefit rate of 30%*
- **Fringe Amount:** To determine fringe amount, multiple the fringe benefit percentage rate by the project salary amount. (Remember: {Base Salary} X {% of Time} = {Project Salary})

- *Example: Principal Investigator [\$18,750 (Project Salary) x 30% (Fringe Benefit %) = \$5,625(Fringe Amount)]*
- **Total:** To determine the total cost of each personnel position, add the project salary + the fringe amount.
 - *Example: Principal Investigator [\$18,750 (Project Salary) + \$5,625 (Fringe Amount) = \$24,375 (Total Salary Cost)]*
- i. **Principal Investigator:** Includes project time associated with such positions as project direct, principal investigator, or any co-principal investigators that provide the main leadership to the project.
- ii. **Project Staff:** Includes salary costs of the project staff such as project manager, project coordinator, or senior staff, who directly work on the project. Project staff can also include nurses, statisticians, researchers, graduate assistants, epidemiologist or any other staff with roles directly related to aspects of the project.
- iii. **Administrative Staff:** Includes any staff providing administrative support, such as secretaries, administrative assistant, bookkeeper, data entry staff or any staff used for this type of work.
- iv. **Other Staff:** Any other staff not included in the other personnel categories, such as a stipend or salary for interns or fellows.

<i>Example: Your budget calculation for Principal Investigator would look like this:</i>						Total
<i>Position</i>	<i>Base Salary</i>	<i>% of Effort</i>	<i>Project Salary</i>	<i>Fringe %</i>	<i>Fringe Amount</i>	<i>(Project Salary + Fringe Amount)</i>
Principal Investigator	\$75,000	25%	\$18,750	30%	\$5,625	\$24,375

- II. **Other Direct Costs:** These are direct non-personnel cost of any materials and resources that are necessary for completing the research or intervention.
- i. *General Office Supplies and materials:* Includes any of the fixed costs of having your organization remain in operation. Office operations and equipment are included in this category. These categories encompass computers, software, office supplies/materials, telephones, copy machines, office furniture, postage, etc. You may spend more on office supplies and materials in your first year of the intervention than in subsequent years.

<i>Example: Your budget calculation for office equipment would look like this:</i>	Total
Office Computers (4 @\$700)	2,800
Statistical Software	200
Laser printer	1,000
Office Furniture	1,500
Office Telephones	200
Total office equipment:	\$4,700

- ii. *Intervention Materials:* Intervention materials are those that are needed to implement your program that are not already included general office

supplies and materials. Intervention materials include any money spent on incentives or promotions for intervention participants. This can also include the costs for materials such as pre/post surveys and copies, other intervention materials such as brochures, posters, or any other materials created to promote the intervention, including distribution costs of intervention materials. Intervention material costs may vary from year to year.

<u>Example:</u> <i>Your budget calculation to distribute a three-page pre-intervention survey to 100 participants by mail would look like this:</i>	Total
3 page survey X 100 copies = 300 pages	
300 pages @ \$.05 per page	15
100 envelopes	8
100 survey recipients X \$.37 postage each	37
Total intervention survey cost:	\$60

- iii. *Meeting and Intervention Activity Space:* Includes cost for the use of meeting or intervention activity space. If these types of activities occur outside the office, you may need to rent a meeting room. Some places may also charge a fee for use of audio visual equipment, such as projectors or TVs. Food and drinks provided at the meeting should also be included in this category.

<u>Example:</u> <i>Your budget calculation for one 4-hour workshop with 20 of your partners and community members, would look like this:</i>	Total
Meeting Space Rental for 4 hours:	75
AV Equipment Rental	10
Food/Drink	80
Total meeting cost:	\$165

- iv. *Transportation/Travel:* Refers to travel and transportation casts for project staff or consultants to perform intervention duties. This may include fees or stipends to attend professional meetings or perform interview or surveys out-of-town. Transportation/Travel costs can also include those incurred by providing a means for participants to get to your intervention activities in order to increase participation.

<u>Example:</u> <i>Your budget calculation for your principal investigator to attend a 3 day conference in Washington, D.C., would look like this:</i>	Total
Air Fare	350
Conference Registration Fee	75
Per diem for 3 days @ \$150.00/day	450
Local Transportation	25
Total personnel travel cost:	\$900

- v. *Other*: Refers to any other costs not covered in the other direct costs. This might include workshop fees, data purchases, and subscriptions to journals or any other miscellaneous program costs.

III. **Purchased Services**: This refers to fees paid to individuals or companies for a specific service, usually occurring temporarily during the intervention that is not completed by the regular project staff. Purchased services may vary from project year to project year.

- i. *Consultants*: Includes individuals providing expert or professional advice for an agreed per diem rate. Consultants could provide services such as proposal review, speaking engagements, or services for an advisory board/committee. Consultants are usually hired on an hourly or daily rate. When calculating consultant fees, include the hourly rate and how many hours you expect them to be needed for that project year.

<u>Example:</u> <i>If you and your partnership need help with data analysis from your needs assessment, you may want to hire an epidemiologist as a consultant for your intervention, for a brief period of time.</i>	Total
Epidemiology consultant for 2 days @ \$300/per day	300
Total consultant cost:	\$600

- ii. *Contracts*: Includes agreements entered into with individuals or companies, to provide a specific service to the project. Contracts could include hiring a company to survey participants by phone or to design intervention materials. Contracts are usually negotiated for a set amount for the provided service.

<u>Example:</u> <i>If you would like to hire a graphic design company to design an intervention logo and materials, your contract for development may look like this:</i>	Total
Contract with Graphic Design Company to design intervention materials	800
Total contract cost:	\$800

- iii. *Technical Assistance*: Includes any fees for professional technical services, such as; setting up or maintaining computer systems, providing training on software programs, or providing repairs for office technology. Technical assistance can vary from company to company and by service, some may charge an hourly rate or charge a set amount for maintenance.

<u>Example:</u> <i>If your intervention requires special software or computer programming, you may want to figure into your budget the cost for computer technical support.</i>	Total
Computer technical support for 15 hours @ \$50/hour	750
Total technical assistance cost:	\$750

- IV. **Indirect Costs:** This is a percentage that includes costs incurred by the organization as a result of the intervention, but that is not easily identifiable with any specific component of the intervention. Indirect costs are sometimes also referred to as facilities and administrative (F&A) costs. Indirect costs include building maintenance costs, utilities, property insurance, accounting, or legal expenses. If your intervention is being housed in university space, your indirect cost may be upwards of 30-60%, however if your space is in a community organization's building, it may be much lower, for instance, 10-15%. *Remember: Indirect Cost is a **percentage** that is multiplied by the total direct cost to determine your total project cost*

<u>Example:</u> <i>If your organization has calculated a 10% indirect cost needed to cover the cost of building maintenance costs, utilities, property insurance, accounting, or legal expenses.</i>	
Total Direct Costs (Personnel + Other Direct Costs)*	Total 165,652
Indirect Cost %	10%
Total indirect cost (10% X \$165,652.00):	\$16,565

- V. **Grand Total:** Project budget total (Personnel Total + Other Direct Cost Total + Indirect Cost Total) for Year 1.

	Total
Total Direct Costs (Personnel + Other Direct Costs)*	165,652
Total Indirect Cost:	16,565
Grand Total Year 1:	\$182,217

Remember that you are calculating your project budget by year or cycle, and that your expenses may fluctuate from year to year. You will need to take into consideration how your budget will change from year to year and what categories may need more or less money during the course of the intervention. It is also important to remember increases in cost of living for personnel salaries (typically 3%).

* Please see the sample budget Excel sheet for the calculation of Direct Costs